

**BOARD OF SUPERVISORS**

**GILA COUNTY, ARIZONA**

Date: June 8, 2004

**JOSÉ M. SANCHEZ**

Chairman

**JOHN F. NELSON**

Clerk of the Board

**RONALD A. CHRISTENSEN**

Vice-Chairman

By: Marian Sheppard  
Chief Deputy Clerk

**CRUZ SALAS**

Member

Pine Community Center  
Pine, Arizona

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PRESENT: José M. Sanchez, Chairman; Ronald A. Christensen, Vice-Chairman; Cruz Salas, Member; John F. Nelson, County Manager/Clerk; and, John Franklin, Deputy County Attorney.

The Gila County Board of Supervisors met in Regular Session at 10:00 a.m. this date. Dr. Jim Sprinkle led the Pledge of Allegiance and Jeremy Goodman delivered the Invocation.

Chairman Sanchez asked Vice-Chairman Christensen to chair today's meeting because the meeting location is within Vice-Chairman Christensen's Supervisorial District.

At this time each Board member presented a brief summary of current events as allowed by A.R.S. §38-431.02(K). No action was taken on any items that were presented.

Jim Sprinkle, Ph.D., University of Arizona, Gila County Extension Director and Area Extension Agent, Animal Science, advised that agenda item numbers 3 and 4 would be presented together. Agenda item number 3 addresses the Gila County Cooperative Extension 2004-2005 fiscal year budget request to be considered for approval during Gila County's regular budget process, and agenda item number 4 addresses a proposal for the continuation of funding of the Wildfire Risk Reduction Program and Instructional Specialist

for Gila County to be considered for approval during Gila County's regular budget process. Dr. Sprinkle, provided a Power Point presentation. Highlights of his presentation are as follows:

1. History of the Cooperative Extension Service.
2. County Cooperative Extension personnel provide assistance and expertise in a wide variety of areas, including animal sciences, natural resources, forest health, wildfire risk reduction, horticulture and youth development.
3. 2003 Funding for Gila County – State and Federal 52%; USDA 14%; State and Federal grants 18%; Gila County 9%; and, Gila County grants 9%.
4. 2003 funding provided for over 2,000 face to face contacts through programming and consultations, over 800 hours of donated time from volunteers for educational programs, many other hours donated by 4-H volunteers, and over 20,000 people have been reached through the media.
5. Gila County Cooperative Extension has an Internet website available which provides information to the public at [www.ag.arizona.edu/gila](http://www.ag.arizona.edu/gila).
6. Overview of Agriculture/Natural Resource Programs and 4-H Programs being conducted at the San Carlos Apache Indian Reservation.
7. Reading the Range Program – The purpose of this program is to collect science based data to assist in resource management and resource decisions. Over 250,000 acres were monitored in Gila County from 10 ranches. \$9,000 of outside grant funding was obtained to assist monitoring. Over 1,000 hours were spent monitoring in the field. Cooperative partnerships were formed between ranchers, Tonto National Forest Service personnel and University of Arizona Cooperative Extension personnel.

Christopher Jones, Extension Agent, Agriculture and Natural Resources Programs, Gila County Cooperative Extension, continued the Power Point presentation regarding the Agricultural and Natural Resources Program. Highlights are as follows:

1. Information and educational programs that are provided to citizens include wildfire prevention, climate and drought, bark beetle infestation, grazing and riparian areas, noxious weeds, and horticulture and master gardeners.
2. A example of successful programs that were conducted in 2003 include a Jr. Master Gardener's Program for youth that was held in Miami, Arizona, on August 4-8, 2003, and the participation of 110 people in the Fourth Annual Arizona Highlands Garden Conference that was held in Payson, Arizona, on September 29-30, 2003.
3. Horticulture and conservation efforts included implementing a coordination site for a University of Arizona weather station at Green Valley Park and the provision of evapo-transpiration and other weather information to improve irrigation schedules.

Ms. Meckenzie Helmandollar, Wildfire Instructional Specialist, Gila County Cooperative Extension, provided a review of the 2003-2004 Wildfire Risk Reduction/Forest Health Program, as follows:

1. Development of a 2004 Forest Health/Wildfire Resource List for Gila County which includes regional/national, state, county and city/town contact information.
2. 27 educational workshops were conducted in 2003-2004 for the Forest Health/Wildfire Risk Reduction Program.
3. 2004 upcoming events include the 2<sup>nd</sup> Homeowner Address on June 23<sup>rd</sup> in the North Valley and June 24<sup>th</sup> in the East Valley; Grant Funding and Community Involvement Workshop in July at Christopher Kohl's; Neighborhood Triage in July at Chaparral Pines; and, a FireWise Display in September at the Gila County Fair.
4. Other Projects include an Extension website for the Forest Health Program, weed mapping in Gila County, and a Graduate Project to identify high risk areas for wildfire in Gila County using GIS (Geographical Information System).

At the conclusion of the presentation, Dr. Sprinkle formally asked the Board to consider providing 2004-2005 fiscal year funding in the amount of \$39,400 for Gila County Cooperative Extension. Dr. Sprinkle advised that the budget request is in the same amount as last fiscal year. He further advised that during the last two years, the program demands for rangeland monitoring have increased greatly. Dr. Sprinkle requested the Board's consideration to provide \$15,000 of auxiliary funding to assist in financing rangeland monitoring data collection. Specifically, \$10,000 to \$13,000 would be used to contract with trained range consultants to assist in data collection for \$200 to \$300 per day. He advised that the remainder of the \$2,000 to \$5,000 requested will be used to assist in data entry and presenting natural resource programming related to rangelands. The Board thanked Dr. Sprinkle, Mr. Jones and Ms. Helmandollar for today's presentation. Vice-Chairman Christensen stated that a formal action on Cooperative Extension's 2004-2005 fiscal year budget request in the total amount of \$54,400 will be made during the County's regular budget process. At this time Mr. Jones formally asked the Board to consider the County Wildfire/Forest Health proposal in the amount of \$42,581 during Gila County's regular budget process. He advised that this proposed funding will allow for the continuation of the position held by Ms. Helmandollar and other related travel and operating expenses. The Board thanked all presenters and complimented the work being done by Cooperative Extension.

Armida Bittner, School Superintendent, requested the Board's canvass of the May 18, 2004, Payson Unified School District No. 10 Maintenance and Operation Election and declare the results official. Ms. Bittner provided a handout of local election results and a summary votes cast. Upon motion by Supervisor Salas, seconded by Supervisor Sanchez, the Board unanimously approved the results of the canvass and declared the returns official. **(A copy of the election results is permanently attached to these minutes.)**

Steve Besich, Deputy County Manager, presented a request by the Globe-Miami Regional Chamber of Commerce and Economic Development Corporation to utilize the Fairgrounds Exhibit Hall on June 15, 2004, for its annual meeting and dinner with a fee waiver. Upon motion by Supervisor Salas, seconded by Supervisor Sanchez, the Board unanimously approved the request and waived all fees.

Marian Sheppard presented a sealed bid to purchase tax parcel number 302-71-027, which is State land held under tax deed. Ms. Sheppard opened the sealed bid and announced that a bid in the amount of \$484.37 was submitted by David and Mary Flider for the subject parcel of land. She advised that the bid amount was the same as the total lien amount. Ms. Sheppard stated that Gila County's Sealed Bid Process for State-owned land specifies that the bid amount must be no less than the total lien amount unless the bidder shows proof of ownership of an adjoining property at the time the bid is submitted. Supervisor Sanchez asked Ms. Sheppard to explain about a Counter Offer document for this agenda item that is on page 16 of the Board's informational packet. Ms. Sheppard advised that Mr. and Mrs. Flider submitted the document which shows acceptance of a counter offer on a parcel of land that adjoins the subject parcel of land in order to show proof of ownership. She advised that the document is not relevant to this offer because it does not prove ownership. Upon motion by Supervisor Sanchez, seconded by Supervisor Salas, the Board unanimously accepted Mr. and Mrs. Flider's bid in the amount of \$484.37 for tax parcel number 302-71-027.

Upon motion by Supervisor Salas, seconded by Supervisor Sanchez, the Board unanimously approved Consent Agenda items A through L, as follows:

- A. Approval of an Agreement between the Public Works Division and C.L. Williams Consulting, Inc. to provide professional engineering services for the construction of the Gila County Complex Turn Bay into the Gila County Courthouse building. The Professional Fee Schedule is as follows: 1) data collection and coordination \$800, 2) street

improvement plans \$4,775, 3) utility coordination \$460, 4) contract documents and bid sets \$2,585, 5) progress submittals and estimates \$2,950. The subtotal of the project is \$11,570 with an optional field survey at a cost of \$1,250 for a total project cost of \$12,820.

- B. Approval of an Application for Extension of Premises/Patio Permit submitted by Sidewinders located in Pine, Arizona, to extend the bar area of the establishment.
- C. Approval of an Application for a Special Event License by the Globe-Miami Reunion Committee to serve liquor at the annual meeting and dinner of the Globe-Miami Chamber of Commerce and Economic Development Corporation on June 15, 2004.
- D. Approval of an FY 2004 Financial and Operating Plan to Cooperative Agreement No. LE-0312-01-SO-011 between the Gila County Sheriff's Department and the U.S. Department of Agriculture, Forest Service, Tonto National Forest for the period October 1, 2003, through September 30, 2004. This Agreement allows Gila County Sheriff's deputies to patrol certain Forest Service land as specified in the Agreement. Due to the fact that the Forest Service is under a continuing resolution, last year's funding level is indicated below and will have to be adjusted when Congress passes the final budget. Reimbursement for all types of enforcement activities shall be at the following rates unless specifically stated otherwise: \$.45 per mile vehicle use and actual hourly cost of the officers, the total of which is not to exceed \$63,000.00.
- E. Appointment of Mildred Mary Wills as a precinct committee person to the Gila County Democratic Party.
- F. Appointment of Carol June Scholz as a precinct committee person to the Gila County Democratic Party.
- G. Adoption of Resolution No. 04-06-01 naming the following 11 roads: Dollie Lane in Gisela; Horse Canyon Way and Pioneer Pass in Tonto

Basin; H Bar Ranch Road in Rye; Branding Iron Road in Doll Baby Ranch area; and, Moon Drive, Little Bit Road, Rose Creek Ranch Road, Armer Ranch Road, Deer Creek Way and Jack Mountain Loop in Young. **(A copy of the resolution is permanently on file in the Board of Supervisors office.)**

- H. Ratification of the Chairman's signature on Amendment 9 to Contract No. E6301005 between the Gila County Health and Community Services Division, Community Action Plan, and the Arizona Department of Economic Security in the sum of \$344,789 for the contract renewal period of July 1, 2004, through June 30, 2005. Due to a reduction in available funding for the service of Case Management (\$5,008) and Community Services (\$18,099), the Contract is being reduced by \$23,107 from last year's amount.
- I. Approval of the May 18, 2004, Board of Supervisors minutes.
- J. Approval of the March and April 2004 monthly departmental activity reports submitted by the Payson Regional Justice of the Peace, and the May 2004 monthly departmental activity report submitted by the Globe Regional Constable.
- K. Approval of finance reports/demands/transfers for the weeks of May 25, 2004, June 1, 2004, and June 8, 2004, as follows:
  - May 25, 2004** - \$432,209.33 disbursed for County expenses by voucher numbers X139777 through X139902 and X352587 through X352903. The hand-issued warrants listing is as follows: Voucher number X139775 in the amount of \$137.50, voucher number X352586 in the amount of \$60,000.00, and voucher number X139776 in the amount of \$442.90.
  - June 1, 2004** - \$831,925.57 disbursed for County expenses by voucher numbers X139922 through X140020 and X352923 through X353130. The hand-issued warrants listing is as follows: voucher number X352922 in the amount of \$50.00.

**June 8, 2004** - \$995,891.98 disbursed for County expenses by voucher numbers X140028 through X140133 and X353133 through X353337. The hand-issued warrants listing is as follows: Voucher numbers X140021 and X140022 in the total amount of \$558.00.

- L. Approval of personnel reports/actions for the weeks of May 25, 2004, June 1, 2004, and June 8, 2004, as follows:

**May 25, 2004** -

Departure from County Service:

1. Public Health Nurse I – Health Services – 05-28-04 – Health Services Fund – Lucinda Butler – Hire 02-21-01 – Resigned – reason unknown

Temporary Hire to County Service:

2. Clerk – Clerk of Superior Court – 05-17-04 – Document Conversion Fund - Felicia Henson

Departmental Transfer:

3. Laborer/Scalehouse Attendant to Operator I – Solid Waste Management – 05-24-04 – Enterprise Fund – William M. Seeley
4. Sign Maintenance Worker II to Engineering Tech. II – Engineering Services – 05-17-04 – Engineering Fund – Jonathan Ortega

Position Review:

5. Authorize overtime – Director of Environmental Health – Health Services – 05-17-04 – Health Services Fund – Spurr David Pote
6. Authorize overtime – Public Health Engineer in Training – Health Services – 05-17-04 – Health Services Fund – John Garrett
7. Anniversary Date Increase – 05-31-04 – James Boehm, Lonny Cline, James Brunson, Steve Stratton

Request Permission to Post:

8. Public Health Nurse – Health Services – position vacated by Lucinda Butler
9. Scalehouse/Laborer – Buckhead Mesa Landfill – position William



Seeley

10. Deputy Clerk – Clerk of the Board of Supervisors – Position vacated by Kaycee Stratton

#### SHERIFF'S PERSONNEL ACTION ITEMS

##### Departmental Transfer:

11. Deputy Sheriff – Globe S.O. – 05-24-04 – Law Enforcement  
General Fund to Adult Detention General Fund – Jay Valenzuela

##### Position Review:

12. Return from Military Leave – Deputy Sheriff – Payson S.O. –  
05-24-04 – General Fund – Rodney Cronk
13. Detail to Special Duty – Deputy Sheriff – Globe S.O. – 05-31-04 –  
General Fund – Charlie Links
14. End of Special Assignment – Lead/Detention Officer to Detention  
Officer – Globe S.O. – 05-17-04 – General Fund – Thomas Medina
15. Special Assignment – Detention Officer to Lead/Detention Officer  
– 05-17-04 – General Fund – Jared Arney

##### **June 1, 2004 –**

##### Departure from County Service:

1. Legal Secretary II – County Attorney – 5-25-04 – General Fund –  
Marajane Neff – Hire 10-07-03 – Failure to complete probationary  
period
2. Unit Supervisor – Probation – 05-21-04 – Adult Intensive Probation  
Fund – Dan Lowe – Hire 06-28-94 – Resigned for other  
employment
3. Building Safety Assistant I – Community Development – 05-17-04  
– General Fund – Patricia Nock – Hire 05-03-04 – Resigned for  
personal reasons

##### Hire to County Service:

4. Training Specialist V – Community Services – 06-07-04 – Grant  
Fund – Freddie Denogean

5. Community Health Worker – Health Services – 06-01-04 – Health Services Fund – Andrea Pagnozzi

Temporary Hire to County Service:

6. Mobile Crew Worker – G.E.S.T. – 05-14-04 – Grant Fund – Kenton Crick

Position Review:

7. Anniversary Date Increase – 05-17-04 – Ben Albright
8. Anniversary Date Increase – 05-31-04 – Dorothy Langford, Rebecca Baeza, Laura Bryant, Dennis Harger, Mark Joerns, Amy Anaya

Request Permission to Post:

9. One Stop Disability Specialist – G.E.S.T. – New granted funded position

SHERIFF'S PERSONNEL ACTION ITEMS

Position Review:

10. Request personal leave without pay – Jeff Slider
11. Anniversary Date Increase – 05-31-04 – Patrice Havey
12. Anniversary Date Increase plus Merit Increase – 05-31-04 – Christine Lubbers

**June 8, 2004 -**

Departure from County Service:

1. GED Chief Examiner – Gila Community College – 01-01-04 – College Fund – Sandy Somsen – Hire 04-05-03 – Hired new GED Chief Examiner

Departmental Transfer:

2. MIS/Voter Registration Supervisor – Recorder to Building Safety Assistant I – Community Development – 06-14-04 – General Fund – Jo Lynn Chase

End Probationary Period:

3. Road Maintenance Worker II – Consolidated Roads – 05-31-04 –

Road Fund – Daniel Van Buskirk

Position Review:

4. Anniversary Date Increase – 05-31-04 – William Wright
5. Anniversary Date Increase – 06-14-04 – John Nelson, Terry Smith, Susan Zimmerman-Rhodes, Tina DeSchaaf, Michael Bredenberg, Leonard Aceves, Anna Sanchez, Daniel Savage, Hulbert Sprague, Kathleen Brunson, Sine Scott

SHERIFF'S PERSONNEL ACTION ITEMS

Departure from County Service:

6. Dispatcher – 911 – Globe S.O. – 06-02-04 – General Fund – Claudia Huggins – Hire 07-06-87 – Retirement
7. Dispatcher/Part time – Payson S.O. – 06-02-04 – General Fund - Patrice Havey – Hire 06-11-01 – Services no longer required

Position Review:

8. Anniversary Date Increase – 06-14-04 – Cheryl Norton, Linda Isban
9. Anniversary Date Increase plus Merit Increase – 06-14-04 – Brian Havey

At the request of Mr. Nelson, Chairman Christensen recessed the meeting at 11:05 a.m.

At 11:24 a.m., Chairman Christensen reconvened the Board of Supervisors meeting and officially adjourned that meeting.

The Board of Supervisors convened as the Board of Directors of the Pine-Strawberry Water Improvement District (PSWID). Chairman Christensen called the PSWID meeting to order. He advised the audience of the process to publicly address the Board of Directors. Chairman Christensen addressed agenda number one, a presentation of the PSWID intervention in the Pine Water Company rate hearing before the Arizona Corporation Commission. He called on Mr. Harry Jones of HDJ Management to address this agenda item.

Mr. Jones is a consultant who has contracted with the PSWID. Mr. Jones provided a slide presentation, as follows:

Typical Goals of Utility Regulators -

- Fair costs to consumers
- Fair return on investment to suppliers
- Provide reasonable products and services
- Make adequate resources available
- Maintain efficient operations
- Maintain safe operations

How Regulators Try to Meet the Goals -

- Grant a monopoly to a single provider for a specific service area
- Require reasonable service performance under a Certificate of Convenience and Necessity
- Allow the supplier a fair (near guaranteed) rate of return on all reasonable expenses and investments
- Provide safeguards against activities of monopolist that typically try to:
  - restrict levels of products and services
  - maximize profits
  - minimize investments
  - focus on short-term, not riskier long-term
  - avoid public disclosure

Typical Regulatory Safeguards for Water Utility Monopolies -

- Monitor Supplier Operational Performance
  - Water quality
  - Water loss percentages
  - Service interruptions; system reliability
  - Responsiveness to problems
- Monitor Supplier Financial Performance:
  - Assets employed (wells, tanks, lines, trucks, etc.) including their costs, age, and fair market value

- Ownership of assets; lease terms
- Operating expenses
- Debts allowed and equity of owners

#### Regulatory Reporting and Application Process -

- Annual operational reports for staff review
- Annual financial reports for staff review
- Formal applications/hearings for rate changes
- Heavy reliance on voluntary compliance and accurate reporting by suppliers
- Consumers are allowed to participate:
  - Public comment hearing
  - Formal complaint procedures
- Staff can carry out formal investigations
- Formal intervention by other interested parties

#### Findings of District's Operational Review –

- Water losses were understated by 83%, resulting in acceptance of excessive leaks by Arizona Corporation Commission staff. System maintenance lacking.
- Pine Water Company has allocated inadequate resources and efforts related to developing new water resources, resulting in excessive outages.
- New plant per year in 2000-2002 was on \$20K-\$67K, with most being new meters.
- Water purchased under Water Sharing Agreements was improperly combined with water pumped from company-owned wells, resulting in overly secure feelings related to sources of water and control of future supplies. (Note: Only 34% of water sold is derived from company developed and controlled wells, with Water Sharing Agreements able to expire.)
- Magnolia pipeline not in asset base of Pine Water Company, but had been transferred to unregulated Brooke Utilities, resulting in excessive wheeling costs.
- Financial records and reports were mis-stated, inaccurate and misleading.

- Major conflicts-of-interest and lack of arms-length transactions between inter-affiliate companies.
- Pine Water, Strawberry Water, and Brooke Utilities act like one firm with little separation of activities, especially related to operation of the Magnolia pipeline.

Operational Factors Resulting from the Hearing/Intervention Process –

- Company (Pine Water Company) willing to settle for one-seventh of requested amounts of increase.
- Commitment made to drill three new wells to be owned by Pine Water Company.
- Pipeline was returned to the control of Pine Water Company and subject to Arizona Corporation Commission scrutiny
- Pine Water Company is required to report water losses quarterly (to the Arizona Corporation Commission) and to take corrective action.
- Brooke Utilities Company withdrew its threat to shut down use of pipeline which would have resulted in dramatic cost increases to consumers if Strawberry Water had to be trucked to Pine rather than use the pipeline.  
(Note: If Brooke Utilities Company was not willing to serve consumers at the lowest cost, PSWID asked that their right to hold an exclusive Certificate of Convenience and Necessity be revoked).

Chairman Christensen thanked Mr. Jones for the presentation and issued a call to the public. Mr. Richard Colvin of Pine stated that if there was an overcharge made for the transportation of water to Pine, why were no credits made on customers' billing statements? Mr. Jones replied that the charges were not on the bills of customers. Mr. Ed Welge of Pine advised that Brooke Utilities Company is presently drilling its second well in Strawberry. Mr. Jones inquired if the results of the drilling are known? Mr. Welge replied, "No." Mr. Gary Hezel of Pine asked how much of the Settlement Agreement has been accepted by the Arizona Corporation Commission. Mr. Jones replied that the Arizona Corporation Commission is considering action related to acceptance of

a Settlement Agreement reached between the Commission Staff, the Company (Pine Water Co.), Mr. Breninger, and the PSWID. He further advised that the Administrative Law Judge has now filed his recommended order with the Commissioners who can accept his proposed changes, reject his changes, or make changes the Commissioners like better, or just reject the whole proposed Settlement Agreement. Prior to the Commissioners making their decision, they will review any comments by the parties above related to the Judge's recommended order. PSWID received the administrative law judge's opinion. Two major changes were made to the Settlement Agreement:, as follows: 1) One clause was added, "to improve the system for communicating with the public"; and, 2) one clause was excluded which stated that "the Arizona Corporation Commission is to give Pine Water Company advice on how to explore for water and/or what to do with a lack of water." Mr. Bill McKnight of Strawberry advised that Brooke Utilities Company drilled wells on two properties. One well was drilled to 450 feet and it test pumped at 3 gallons per minute. Another 700 foot well was completed which might be at 10 gallons per minute. He advised that the two wells combined would produce at least 13 gallons per minute. Mr. John Breninger of Pine asked if a tape recorded copy of today's meeting and minutes would be available to the public. Ms. Sheppard advised that the meeting was recorded up until 11:45 a.m., however, at that time the digital audio recording system encountered difficulties and stopped recording. Ms. Sheppard further advised that she is taking notes of the meeting by hand and that minutes will be written, which will be made available to the public. Ms. Toni Sorel of Pine asked how the PSWID governing board intervened in Pine Water Company's rate hearing case before the Arizona Corporation Commission without conducting a public hearing. Chairman Christensen replied that any actions made by the PSWID governing board are authorized by Arizona law. He read aloud a portion of the bylaws of the PSWID and referred to **A.R.S. §48-1014 (A) – Powers and Duties of an Elected or Appointed Board of Directors**, which states, " *The board of directors of a*

*domestic water improvement district or domestic wastewater improvement district elected or appointed pursuant to this article shall have all the powers and duties of the board of supervisors sitting as the board of directors of a county improvement district formed for the purposes prescribed in section 48-909, subsection A, paragraph 5 or 6, including the related powers and duties prescribed in section 48-909, subsection B and section 48-910, and that are not in conflict with the provisions of this article".* Chairman Christensen also referred

to **A.R.S. §48-1016 – Revocation of Authority of Elected Board of**

**Directors**, which states *"The board of supervisors of the county in which a domestic water improvement district or domestic wastewater improvement district is located may at any time revoke the authority of an elected board of directors in order to protect the residents of the district. Any district in which the authority of an elected board of directors is revoked pursuant to this section shall be governed by the board of supervisors as provided by section 48-908 and the board of supervisors shall have the option of calling for new elections for the district board of directors."* Mr. Forest McCoy of Pine asked why the PSWID governing board intervened in the rate hearing before the Arizona Corporation Commission and hired a consultant? Chairman Christensen replied that the Board of Supervisors has years of experience working with several water companies in Gila County. He advised that the PSWID governing board did not intervene in the rate hearing because of the proposed rate increase; moreover, the rate hearing provided the PSWID governing board a platform to address the financial aspects and the conduct of Pine Water Company in seeking new water supplies over the long term. He stated, "The interest of this Board is the sustainability and reliability of a water supply." Chairman Christensen further advised that the rate hearing was an opportunity to make the interests known on behalf of the citizens of the community. Mr. Wes Suhr of Pine asked when the Arizona Corporation Commission will issue a decision on the Settlement Agreement. Mr. Jones replied that the decision was to be made by June 15<sup>th</sup> or 16<sup>th</sup>; however, Pine Water Company requested to extend that date to June 29<sup>th</sup>.



Mr. Jones advised that the Commission will hold a final hearing on the Settlement Agreement hearing date may tentatively be mid-August. Mr. Welge asked, "Isn't it premature to make judgment until that report is complete?" Mr. Jones replied that he felt it was necessary at this time to present a report. Ms. Bernice Winandy commended the report given by Mr. Jones on the rate hearing before the Arizona Corporation Commission. She stated, "This shows why it is important. It gives us a chance to speak up and to be listened." Ms. Winandy advised that she submitted a request to Mr. Nelson for copies of PSWID meeting minutes a couple of months ago and she has not yet received a response to her request. Mr. Nelson advised that all Board minutes are published on the County's internet website at no cost to the public. He asked Ms. Winandy to see Ms. Sheppard after the meeting regarding her request.

Chairman Christensen addressed agenda item number two, a call for an election for the Pine-Strawberry Water Improvement District Board of Directors. Mr. Nelson read the Call of Election into the record, as follows: *"On this 8<sup>th</sup> day of June 2004, the Board of Supervisors of Gila County does hereby call an election for the purpose of electing seven members to the Pine-Strawberry Water Improvement District governing board of directors. The election shall be held on Tuesday, November 2, 2004. The last day to register to vote in the election or to update existing voter registration information shall be Monday, October 4, 2004. Candidate nomination petitions shall be made available in the office of the Gila County Division of Elections, located in the Gila County Courthouse at 1400 East Ash Street in Globe and in the office of District One Supervisor Ronald Christensen, located in the Gila County Complex at 714 S. Beeline, Suite 201 in Payson. Candidate nomination petitions shall be filed with the Gila County Division of Elections beginning on July 5, 2004, to 5:00 p.m. on August 4, 2004. Dated this 8<sup>th</sup> day of June 2004. (Signed by Chairman Jose M. Sanchez and attested by John F. Nelson, Clerk)." Mr. Nelson advised that petitions will be made available at the Globe and Payson County offices and at the Pine Library. Mr. Welge stated, "You mean a 6 member board?" Chairman Christensen*

advised that there are no board members of the PSWID at this time. He again referred to A.R.S. §48-1016 which states the reasons the authority of a water district board of directors may be revoked. Mr. Breninger advised that his authority as a PSWID board member has not been revoked. He advised that his term of office expires in December 2006. Chairman Christensen reiterated that the authority of the PSWID was revoked according to State statute and he advised Mr. Breninger to contact the County Attorney if he chooses to challenge the issue. Mr. Oakley Ray asked for clarification on voter eligibility. Mr. Nelson stated, "You must be a registered voter within the District or you must be a property owner within the District and be a registered voter within Arizona." Mr. Charles Collins asked, "Do we have your word that there will be a PSWID on November 2<sup>nd</sup>?" Chairman Christensen clarified that the PSWID has not been dissolved. He advised that the authority of the previous governing board was revoked according to State statute resulting in the Board of Supervisors assuming responsibility as the Board of Directors of the PSWID. Chairman Christensen advised that during previous PSWID meetings, the Board of Supervisors acting as the PSWID Board of Directors previously discussed the calling for an election in November 2004. Upon motion by Supervisor Salas, seconded by Supervisor Sanchez, the Board unanimously approved the Call of Election. **(A copy of the Call of Election is permanently on file in the Board of Supervisors office.)**

Mr. Nelson addressed agenda item number three, future activities of the Board of Supervisors acting as the Pine-Strawberry Water Improvement District Board of Directors. He advised that the activities regarding the Arizona Corporation Commission rate hearing is "at best, in a maintenance mode. I don't see a great deal of future activity from the PSWID on that issue. The question is where do we go from here?" Mr. Nelson advised that the Board of Supervisors acting as the PSWID Board of Directors will conduct one more meeting in the Pine area to discuss the proposed PSWID budget. He advised that during that time, two other reports need to be presented; the Morris-

Majerle Water Study report and the Economist.com report. Mr. Nelson advised that various other groups should present at the next meeting. He mentioned the groups should present information related to proposed drilling and the feasibility of purchasing the operating assets of the water companies and pipeline. Chairman Christensen stated that it is important for any interested groups to present at the next PSWID meeting. Chairman Christensen made the final closing statement, as follows: “ ....The Board of Supervisors will require this community to make decisions because there has been lots of finger pointing back and forth, and it serves no useful purpose. You need to make decisions with regard to water. We won't make those decisions for you. I've lived here for 14 years and I see over and over again where this community divides itself. I plead with you to stop. I ask you to think about what direction you want to go. Let's move on to solve problems. This Board is here to help the best way it can. That is what we have been doing.” Mr. Welge agreed with Chairman Christensen's comments and recommended that any decisions to buy new water should be made by the newly elected board. Mr. Steve Scott asked if the PSWID financial report is available for viewing. Mr. Nelson advised that the full disclosure of financial reporting is not available today, but it will be published and discussed at the public hearing for the adoption of the fiscal year 2004-2005 County budget. Mr. Breninger advised that he has yet to receive a reply to a written request he made to the Board at a previous PSWID meeting to formally and publicly present information and hand over PSWID files to the Board. Chairman Christensen referred to the Public Participation Forms which were filled out. He asked for further comments from those individuals who filled out the forms. Each individual advised that they had no further comments.

Upon motion by Supervisor Salas, seconded by Supervisor Sanchez, the Board adjourned the meeting at 12:37 p.m.

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Ronald Christensen, Acting Chairman

ATTEST:

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John F. Nelson, County Manager/Clerk